

TECHNOLOGY TRENDS IN REAL ESTATE

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OUR VISION

“

**Inspire people
through visualization
of the built world.**

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Introduction

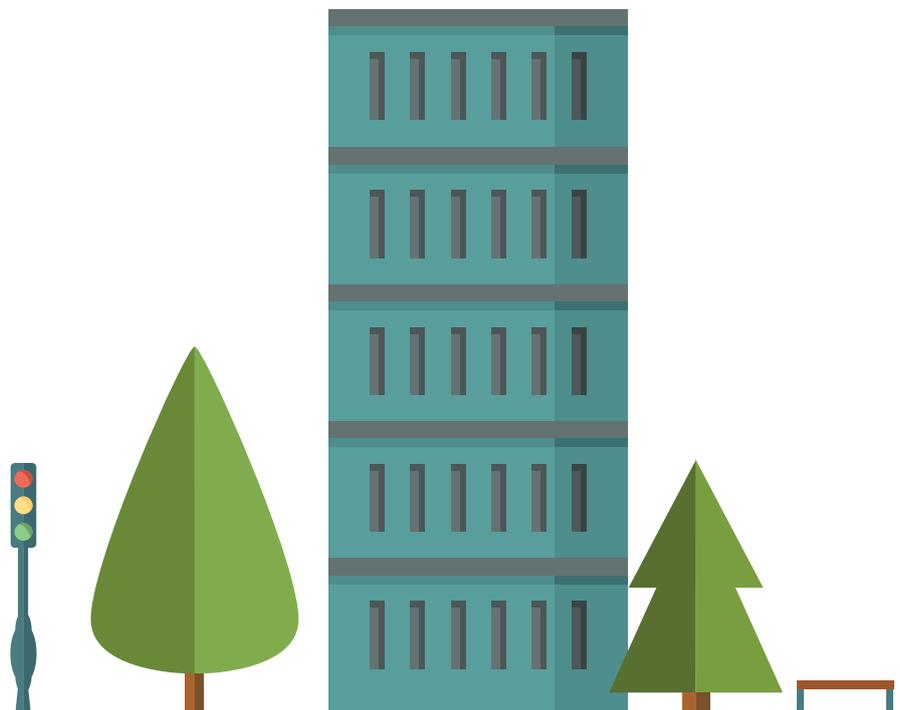
PropTech is here to take the Real Estate industry forward into the fourth technological revolution.

The industry, which until now has been somewhat reluctant to change, is seeing significant investments in new technology. When any new term starts being used, its meaning can become lost in translation. This white paper explains what PropTech is and what it means for the Real Estate sector. The paper covers the trends that are going to take prevalence in the industry and how firms can incorporate new technology within their businesses to get the most value.

Real Estate and Technology

Modern technology is rapidly evolving and changing the way that every business operates. Technology demands attention from business owners as it has the potential to be an enabler, a disruptor and a risk. The Real Estate industry hasn't yielded to change as quickly as others. However, the benefits that technology can offer are becoming too significant to ignore. Technology has the potential to entirely reshape the real estate landscape, bringing with it vast improvements for business owners and customers alike. It offers the opportunity to improve efficiencies, engage customers and gain invaluable insights.

PropTech is the new buzzword in the Real Estate sector. Claims are that it is set to disrupt the industry and launch it into the digital world. Real Estate business owners are aware of digital and technological innovation that will impact their business. There is, however, a lot of confusion around the term PropTech. It stretches across everything from marketing automation to artificial intelligence, and the broad scope of innovation and change can be both an exciting and daunting prospect for Real Estate firms. While change can be challenging, the opportunities are beginning to outweigh the risks. What is vital, however, is to understand what PropTech is and how it can be applied to bring business benefits and, ultimately, competitive advantage.



What is PropTech?



PropTech is a term with many definitions. In short it is an acronym of property and technology. It aims to describe the use of technology to help both individuals and companies, buy sell and manage real estate. PropTech is similar to the more established, FinTech used in the financial world. Both terms form part of a bigger puzzle, a more extensive digital transformation that is set to change the way that everyone in the industry works, communicates and interacts.

- *PropTech is the use of innovative technologies to create new real estate business models. It encompasses the technological and cultural change within the industry and spans across every interaction between consumers and businesses.*

PropTech describes any technology that is used within the Real Estate sector. This spans a host of technologies, with extremely varied purposes. There is software, hardware and even materials being developed that fall under the PropTech heading. It covers everything from the Internet of Things (IoT) smart home technology to big data.

A big part of PropTech has been the emergence of startup companies. These are businesses breaking into the industry, offering new products and services. While not all will be successful, these new products aim to change business models and ways of working with regard to property management and investments. There have been some obvious early successes, such as property portals like Rightmove and some innovative suggestions such as bricks being developed to act as batteries for solar panels.

While the term and the technology that it encompasses will evolve over time, what is certain is that PropTech is here to stay.

Why Real Estate Firms Need to Adopt New Technologies

The Real Estate industry has historically lagged behind others in adopting new technologies. However, unrivalled benefits and growing customer expectations are starting to break down the reluctance to incorporate advanced technologies into everyday practices.

Key drivers for PropTech adoption include:

Competition: demand is high, which is causing prices to increase; firms need to prove they are the best and recruit top talent. Technology allows companies to gain an edge. PropTech investments such as mapping solutions, marketing software and CRM solutions can make an almost immediate impact.

Consumer expectations: demand for real-time information comes from all sides of the Real Estate industry. There is no time to manually pull portfolio insights or search for comparable properties in a database. Offices are widespread and real estate agents spend most of their time in the field. Realtors need to be able to access data, insights and assets wherever they are, whenever they need them.

Affordability: the millennial generation often finds the dream of home ownership unattainable. To make matters worse, they spend much of their savings on rent. The demand for affordable housing is the driver behind some innovative tech solutions. Helping manage tenant payments and streamline payments is just the beginning.

Community: constant connectivity in the smartphone era enables realtors to work anywhere, anytime, and the lines between work and personal life have become blurred. With long working hours, millennials find it difficult to build communities and place value on employers and landlords who simplify things for them. Co-working, shared living, and remote working communities are coming to the fore as a solution to the problem.

Flexibility: life is often unpredictable, and the growing gig economy is changing the way young people work. Without knowing how long a job will last, long term lease commitments and expensive furnishings aren't maintainable. Other solutions are required to facilitate the flexible way in which many people work and live.

With so many problems to be solved, it's no surprise that there is so much investment in PropTech. A whole new generation of startups is emerging to build ground-up solutions to address changing consumer and workforce needs. Technology is reimagining how we live and work, and the Real Estate industry is a big part of this, responsible for shaping our workplaces, leisure spaces and our homes.

How Will PropTech Change Real Estate?



PropTech is making a lot of noise in the Real Estate industry, in part because the sector has a lot of catching up to do.

Real Estate firms tend to be a little behind the curve in relation to adopting new software and technology applications. While this means that change is inevitable, it also means that there are some easy wins to be had for businesses. Tried and tested technology that is prevalent in other industries can help firms make vast improvements to their operations.

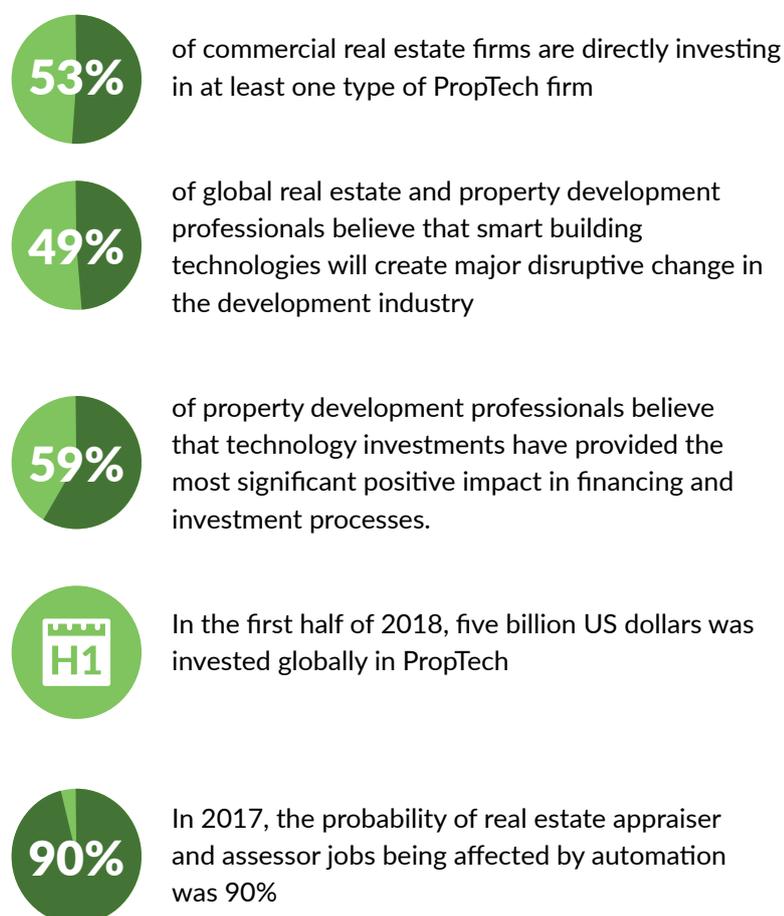
Many new startups and technology leaders are being attracted to the potential gains within the Real Estate industry. The success of the likes of Airbnb has proven how the way people hunt for market services can change. Companies are emerging with the goal of revolutionizing property showings, rent-bidding and contract accessibility. While each has a defined purpose, they all result in minimized downtime, enabling faster and more personalized customer interactions.

Every area of the Real Estate industry is set to be disrupted by PropTech. New trends are being created by the likes of co-working in the office space sector, co-living in the residential real estate sector and crowdfunding in the investment sector. New professions are emerging within the industry such as drone pilots, virtual home specialists and data aggregators. Entrepreneurs are reflecting on the industry with the aim to create startups that address highly specific needs.

How Will PropTech Change Real Estate? cont.

There are many changes on the horizon. Predictive analytics will allow data to be manipulated to align with business models and multiple streams of data to be syndicated. This means that Real Estate firms will be able to solve their customer's problems in real-time. Securing funding is changing as investors can make decisions driven by accurate data, reports and valuations. Meanwhile, property managers will be able to enhance operations, improve processes and make data-driven business predictions and investments.

PropTech is starting to gain a lot more ground, getting attention from key stakeholders and investment from budget holders. [Key 2019 statistics](#) show that:



While there is set to be a lot of change, the aim of PropTech is to improve business efficiencies, exceed customer expectations, mitigate risks and, ultimately, to increase revenues.

Real Estate Technology Trends



The Real Estate industry has been historically shaped by market conditions and consumer behaviours. More recently, however, technology trends are also starting to impact the way that brokers and agents work. There are a variety of emerging technologies that are based on substantial engineering innovation. These technologies have the potential to make a considerable difference to the Real Estate industry.

Elements of the [Digital Transformation](#) revolution that's taking place across AEC and other industries is starting to influence the technology appearing in Real Estate.

Whether real estate agents want to make more profitable property decisions, reduce inefficiencies or provide better customer experiences, technology seems to have the answer:



Automation

Automation forms a huge part of the explosion in technology that has taken place over recent years. It can impact everything from email marketing to social media advertising. Technology within this area works to replace repetitive, predictable and time-consuming tasks with automatic processes.

What is Digital Transformation?

Find out more at the OpenAsset blog.



Real Estate Technology Trends cont.



Augmented Reality (AR) and Virtual Reality (VR)

These groundbreaking technologies are changing the way that properties and spaces are viewed. They are enabling real estate agents to save vast amounts of time and money and to ensure decisions are based on realistic outcomes.

By using VR, buyers can take virtual tours of listings from the comfort of their homes, at a time that suits them. Prospective buyers can visualize what their home will look like before construction has even started, saving vast amounts of time and money as well as giving them confidence in their decisions.

By using AR, spaces can be filled with computer-generated images. AR overlays digital images over real ones, and it can do it in real-time. Being able to digitally outfit a space and see the end result before committing resources is a huge decision-making tool that has the potential to save vast amount of money.



Artificial Intelligence (AI)

There is a suite of AI tools that are coming on to the marketplace to help real estate agents. These include robots, chatbots and virtual assistants.

Customers can liaise with these solutions at their leisure, helping them to resolve issues, find relevant suggestions and make well-informed decisions. Meanwhile, virtual assistants enable real estate professionals to save time and streamline their processes. Managing several properties can be an extremely complicated task. AI-based technologies are able to automate multiple tedious jobs and even take over simple decision making based on machine learning techniques.



The Cloud

Cloud computing is the delivery of computing services over the internet. While traditional storage solutions relied on on-premises hardware and servers, the Cloud provides virtual solutions. The cloud goes further than storage, however. It includes everything from databases to networking, analytics and intelligence.

Being able to deliver the services via cloud-based solutions leads to faster innovation, more flexible resources and economies of scale. Using the cloud, Real Estate firms have around-the-clock, real-time insights into property information and are able to access them from any device. As Real Estate companies are often spread across multiple offices, cloud-based systems, such as [Digital Asset Management \(DAM\)](#), ensure everyone can access the same material from multiple locations using a single server.

What is Digital Asset Management?

Find out more at the OpenAsset blog.



Real Estate Technology Trends cont.



Big Data Analytics

With the increase in technology being used by Real Estate firms, comes an increase in data. Almost every system or application has the ability to use and generate vast amounts of data. However, it only has business value if it can produce actionable insights. Big data analytics is the technique of taking the data that is generated and predicting future trends in terms of customer behaviour, intent and past patterns.

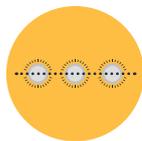
With big data analytics, real estate professionals are able to make better data-driven decisions. By being able to predict future events, agents can better understand market conditions, uncover new listings and gain competitive advantage.



The Internet of Things (IoT)

The IoT is an infrastructure of devices which incorporates lighting systems, thermostats, electrical outlets and more. In fact, every object has the potential to become connected by having a sensor to collect information and share it with the other objects and, of course, people that surround it. The 'smart' functions that are being produced are having a significant impact on consumers' lives, but they also have the potential to disrupt the real estate industry.

In the future, IoT could be used for predictive maintenance and increased energy efficiency. Devices could be used to create valuable property insights. Sensors could be used to create a predictive analysis of a property's value, and this could be used as a sales tool to prospective buyers. Sensors could also be used for the planning and consumption of urban spaces and real estate.



Blockchain

Blockchain is an advanced technology that creates an infrastructure for transactions, agreements and data exchange. Everything from transactions to customer checks and credit checks can be handled, and most importantly, it's secure. The technology maintains a centralized database of transactions that is used as a fraud detector for realtors.

While blockchain isn't in mainstream use in the Real Estate industry just yet, it has the potential to ensure transparent and safe transactions, in real-time. In the future, properties could be tokenized and traded, vastly improving transaction times and allowing properties to be sold in fractions or shares. In time, it could well evolve the definitions of ownership and rental contracts.

Benefits of Real Estate Technology

PropTech has come about due to the enormous market opportunities which it has the potential to create. While some technology is more established and easier to incorporate than others, the overall result of incorporating PropTech is increased revenue. While individual technologies often sound exciting, the investment can be a daunting prospect. However, each piece of tech brings with it many business advantages.

At a glance, PropTech offers real estate firms the following business benefits:

Heightened focus: with the automation of mundane tasks, talented team members are able to focus on the things that matter most, such as growing the business's customer base.

Increased confidence: with the help of technology to visualize properties before they are completed, everyone has more confidence in the end result. In addition realtors can envision what spaces will look like before committing their resources.

Greater reach: virtual viewings allow anyone to view a property from anywhere; this increases the reach of marketing efforts.

Better decision making: vast volumes of data can be analysed to uncover market trends, allowing real estate firms to invest more wisely and maximise their profits.

Improved customer experiences: intelligent machines are able to answer customer questions quickly and efficiently and can even add value by making relevant suggestions.

Streamlined processes: many technologies such as the cloud and blockchain enable realtors to improve workflows and processes.

Faster transactions: the use of blockchain technology ensures transactions are secure and has the potential to change the way in which money is handled.

Mobility and flexibility: working in the cloud-based environment means that real estate professionals can access the data they need, when they need it, wherever they are.

Increased efficiencies: smart sensors allow for predictive maintenance, reducing costs associated with property management.



Real Estate Tech Stacks



With so many new technologies on offer, it can be challenging to know where to begin. Unfortunately, there isn't one single solution that will offer everything that a real estate business needs. In reality, real estate firms need to implement a range of technologies to meet their business requirements and gain competitive advantage. However, it is vital that chosen technology solutions work together to maximize efforts, efficiencies and, ultimately, return on investment.

A tech stack is the cumulative term for the group of technologies that a company uses to manage its core functions. The tech stack integrates these technologies to create a seamless platform that is flexible and easy to use.

Ensuring that technology works together is imperative if real estate businesses are to achieve the related benefits. When systems don't integrate, a growing tech stack can end up doing more harm than good, creating additional processes and complicated workflows. The vital piece of the puzzle is choosing the right stack of solutions. With an integrated tech stack, real estate marketing, sales and business development teams have the tools they need at their fingertips. This means that workflows can be streamlined and assets leveraged to maximize profits.

As Real Estate technology is designed to complement the property-focused nature of the industry, every piece of technology is powerful in its own right. However, building a tech stack with key components that work together seamlessly creates a system that is more than the sum of its parts.

The Tech Stack Every Real Estate Company Needs



Find out more at the
[OpenAsset blog](#).

About OpenAsset

OpenAsset is specifically tailored to solve the image management needs of real estate companies and other firms working in the built environment. OpenAsset enables Real Estate companies to store, find, use and share the photos and digital assets needed for everyday commercial success.

OpenAsset is the number one digital asset management (DAM) solution for real estate, architecture, engineering, and construction companies. Its development roadmap is guided by our client base of over 600 of the world's leading Real Estate & AEC companies.

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